

Message Text

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C O N F I D E N T I A L STATE 221044

E.O. 11652: XGDS-1

TAGS: ESTC, COCOM

SUBJECT: SPECIAL ROMANIAN POLICY IN COCOM

1. REQUEST USDEL SUBMIT FOLLOWING FOR COCOM CONSIDERA-
TION, MARKING THE COCOM DOCUMENT SECRET:

A. THE UNITED STATES PROPOSES THAT COCOM ADOPT A ROMANIAN
EXCEPTION PROCEDURE SIMILAR TO THAT NOW APPLICABLE TO
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POLAND PURSUANT TO CHAPTER D OF COCOM DOC. REG (77)1.
SPECIFICALLY, THE UNITED STATES PROPOSES THAT CHAPTER D
BE AMENDED BY ADDING "OR ROMANIAN" AFTER "POLISH" AND
"OR ROMANIA" AFTER "POLAND" WHEREVER THOSE WORDS APPEAR.

B. THE UNITED STATES BELIEVES THAT ROMANIA'S RELATIVELY
INDEPENDENT FOREIGN POLICY STANCE WARRANTS MAKING A DIS-
TINCTION BETWEEN ROMANIA AND OTHER PROSCRIBED DESTINATIONS
IN THE REVIEW OF EXCEPTION CASES FOR COMMODITIES, ALTHOUGH
NOT FOR TECHNOLOGY NOR FOR ITEMS ON THE MUNITIONS AND

ATOMIC ENERGY LISTS.

EVIDENCE OF ROMANIAN INDEPENDENCE FROM THE USSR IS:

1. MILITARY

A) ROMANIAN REFUSAL TO PERMIT WARSAW PACT TROOPS TO CONDUCT MANEUVERS ON ROMANIAN SOIL;

B) ROMANIAN REFUSAL TO LET ROMANIAN TROOPS PARTICIPATE IN WARSAW PACT MANEUVERS OUTSIDE ROMANIA;

C) ROMANIAN COOPERATION WITH YUGOSLAVIA IN DEFENSE PLANNING (CLEARLY AIMED AT USSR) AND IN PRODUCTION OF A JET FIGHTER (TO AVOID DEPENDENCE ON USSR);

D) ROMANIAN REFUSAL TO JOIN WARSAW PACT INVASION OF CZECHOSLOVAKIA IN 1968.

2. DIPLOMATIC

A) ROMANIAN REFUSAL TO BREAK DIPLOMATIC RELATIONS WITH ISRAEL (ONLY COMMUNIST COUNTRY) FOLLOWING 1967 WAR AND ITS CONFIDENTIAL

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CONTINUING HIGH-LEVEL CONTACT WITH ISRAEL (E.G., BEGIN VISIT IN 1977);

B) ROMANIAN POLICY STATEMENTS ON MIDDLE EAST WHICH ARE AT SHARP VARIANCE WITH SOVIET POSITIONS (E.G., SUPPORT FOR SADAT INITIATIVE IN DECEMBER 1977);

C) ROMANIAN POSITIONS AT BELGRADE CSCE MEETING, WHICH IN MANY INSTANCES SUPPORTED WESTERN OR NEUTRAL/NON-ALIGNED STANDS IN DIRECT CONFLICT WITH POSITIONS TAKEN BY ALL OTHER WARSAW PACT COUNTRIES;

D) ROMANIAN REFUSAL TO ESPOUSE SOVIET LINE IN SINO-SOVIET DISPUTE OR TO REDUCE DIPLOMATIC AND ECONOMIC RELATIONS WITH PEKING;

E) ROMANIAN SUPPORT FOR WEST EUROPEAN "EUROCOMMUNIST" POSITIONS WHICH THE SOVIETS WERE SHARPLY ATTACKING;

F) ROMANIAN ACCESSION TO THE CONDITIONS OF THE TRADE ACT, PROVIDING THE U.S. WITH ASSURANCES ON EMIGRATION, AT A TIME WHEN THE SOVIET UNION HAD JUST DENOUNCED THIS COURSE OF ACTION, AND STRONG ROMANIAN DESIRE TO MAINTAIN THE TRADE RELATIONSHIP THIS YEAR WHEN IT MIGHT HAVE EXPIRED.

3. ECONOMIC

A) ROMANIAN REFUSAL TO PARTICIPATE IN CEMA COMMISSIONS
WHICH IT REGARDS AS INFRINGING ON ITS ECONOMIC SOVEREIGNTY;

B) GROWING ROMANIAN TRADE INVOLVEMENT WITH INDUSTRIALIZED
WEST (ONLY 34 PERCENT OF ROMANIAN TRADE IS WITH ITS CEMA
PARTNERS AND ONLY 17 PERCENT WITH THE USSR ALONE, THE
SMALLEST SHARES OF ANY PACT COUNTRY);

C) ROMANIAN POLICY TO DIVERSIFY SOURCE OF COAL AND COKE
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IN ORDER TO WEAKEN THE USSR'S POTENTIAL ECONOMIC LEVERAGE.

C. THE ROMANIAN SITUATION CONTINUES TO WARRANT A GREAT
DEGREE OF CAUTION WITH RESPECT TO THE LICENSING OF GOODS
WHICH HAVE MILITARY APPLICATIONS, SINCE ROMANIA IS STILL
A MEMBER OF THE WARSAW PACT.

D. ONE OF THE ELEMENTS IN THE REVIEW OF EXCEPTION CASES
SHOULD BE THE RECEIPT OF A FIRM UNDERSTANDING FROM OFFICIALS
OF THE ROMANIAN GOVERNMENT THAT GOODS UNDER THE EXPORT CON-
TROL OF THE COCOM MEMBER COUNTRY SUBMITTING THE CASE WILL
NOT BE TRANSSHIPPED NOR RE-EXPORTED TO OTHER COUNTRIES
WITHOUT PRIOR APPROVAL OF THE GOVERNMENT OF THAT COCOM
MEMBER COUNTRY.

2. BACKGROUND FYI.

A. IN 1957 THE UNITED STATES PROPOSED THE SPECIAL POLISH
POLICY NOW IN EFFECT (DOC 2562). THERE ARE TWO SUBSTANTIVE
DIFFERENCES BETWEEN THAT PROPOSAL AND THE ONE NOW PRO-
POSED FOR ROMANIA: IN 1957 (1) WE DID NOT PROPOSE EXCLUD-
ING TECHNOLOGY AND (2) WE PROPOSED THAT LIST II SHIPMENTS
FOR THE REMAINDER OF 1957 BE OUTSIDE THE QUOTA FOR THOSE
ITEMS FOR WHICH THE GLOBAL QUOTAS HAD BEEN FULLY USED.

B. IN THE REVIEW OF DOC. 2562

(1) FRANCE SUGGESTED AN ITEM-BY-ITEM REVIEW OF THE
COMMODITIES WHICH MIGHT BE EXPORTED TO POLAND PROVIDED THAT
SUCH EXPORTS WERE SUBSEQUENTLY REPORTED (PARA 4 DOC 2570).
THE U.S. OPPOSED THIS SUGGESTION, NOTING THE NEED FOR
CAUTION.

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(2) IN RESPONSE TO A UK QUESTION, THE U.S. EXPLAINED THAT
THE TERM "OTHER COUNTRIES" IN THE SENTENCE ON ASSURANCES
AGAINST RE-EXPORTS INCLUDED ALL OTHER COUNTRIES AND WAS
NOT LIMITED TO SOVIET BLOC COUNTRIES (DOC 2578).

C. IN 1968, FOLLOWING THE INVASION OF CZECHOSLOVAKIA BY THE USSR AND OTHER WARSAW PACT COUNTRIES EXCLUDING ROMANIA

THE U.S. MADE HIGH LEVEL BILATERAL APPROACHES TO THE FRG, UK, FRANCE, ITALY AND NETHERLANDS SUGGESTING DISCOURAGEMENT OF NEW BUSINESS WITH THE INVADERS, TURN DOWN OR DELAY OF SOME MAJOR PENDING CASES FOR THE INVADERS, AND NO GENERAL LIBERALIZATION OF COCOM CONTROLS IN 1968. WE ALSO INFORMED THEM WE HAD A "RANGE OF MEASURES" UNDER CONSIDERATION TO SINGLE ROMANIA OUT FOR SPECIAL TREATMENT IN OUR ECONOMIC RELATIONS ((68) STATE 236888). IN RESPONSE TO FRENCH QUESTIONS, WE SAID THE USG WAS CONSIDERING EASING SOME U.S. REQUIREMENTS ON EXPORT LICENSES FOR ROMANIA AND GIVING MORE FAVORABLE CONSIDERATION TO CERTAIN SALES OF EQUIPMENT AND TECHNOLOGY DESIRED BY ROMANIA (68) STATE 242523). AT THAT TIME PENDING CASES FOR ROMANIA INCLUDED FRENCH TRANSISTOR TECHNOLOGY AND UK AND CDC COMPUTER TECHNOLOGY.

D. FRANCE THEREUPON PROPOSED IN COCOM THAT ALL LIST I ITEMS BE FREELY EXPORTABLE TO ROMANIA, SUBJECT TO ROMANIAN UNDERTAKINGS TO RESTRICT THE END-USE OF STRATEGIC COMMODITIES TO CIVILIAN PURPOSES AND NOT TO RE-EXPORT THEM TO OTHER EASTERN COUNTRIES WITHOUT THE APPROVAL OF THE EXPORTING COUNTRY (COCOM DOC PROC (68)11).

E. RESPONSE IN COCOM TO THE FRENCH PROPOSAL WAS AS FOLLOWS:

(1) THE UK EXPRESSED CONCERN THAT, RATHER THAN BEING HELPED, THE ROMANIANS MIGHT INSTEAD BE EMBARRASSED POLITICALLY IN THEIR RELATIONS WITH THE SOVIET UNION SHOULD IT CONFIDENTIAL

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BECOME KNOWN THAT THEY HAD ACCEPTED WESTERN FAVOURS IN THIS HIGHLY POLITICAL FIELD. THE UK QUESTIONED THE ADEQUACY OF THE FRENCH PROPOSED END-USE ASSURANCES (DOC PROC (68)15).

(2) THE FRG REFERRED TO ROMANIA'S WARSAW PACT OBLIGATIONS AND TO THE NEED FOR CAUTION, BECAUSE ROMANIA HAD INDICATED THAT CHINA WOULD BE ASKED TO HELP IF ROMANIA WERE INVADED.

(3) THE NETHERLANDS FOUND THE FRENCH PROPOSAL TOO FAR-REACHING AND DISTRIBUTED THE COMMUNIQUE OF THE 36TH MEETING OF THE EXECUTIVE COMMITTEE OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE AS A HELP IN EVALUATING TIES BETWEEN ROMANIA AND COMECON.

(4) FRANCE RESPONDED THAT FOR TEN YEARS THERE HAD BEEN NO COMPLAINTS FROM MEMBER GOVERNMENTS OF CASES OF DIVERSION FROM POLAND AND THAT, AS A GUARANTEE, A SIMPLE LETTER FROM

A POLISH PURCHASING AGENCY ASSURING NO RE-EXPORT HAD BEEN ACCEPTED.

(5) JAPAN THEN SUGGESTED ADOPTING FOR ROMANIA A PROCEDURE SIMILAR TO THE POLISH EXCEPTIONS PROCEDURE.

(6) ITALY REGARDED THE FRENCH PROPOSAL AS TOO RIGID.
(DOC PROC (68)15).

(7) THE UK SUBSEQUENTLY SUPPORTED THE JAPANESE SUGGESTION TO EXTEND THE POLISH PROCEDURE TO ROMANIA.

(8) FRANCE NOTED THAT THE PRINCIPAL ADVANTAGE OF THE POLISH PROCEDURE HAD BEEN IN THE AREA OF QUANTITATIVE CONTROLS, WHICH HAD SINCE BEEN ABOLISHED.
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(9) THE UK CONCEDED THAT THE POLISH PROCEDURE HAD BEEN A SOMEWHAT MARGINAL ARRANGEMENT BUT THAT THE INTENT FOR ROMANIA WAS A PROCEDURE ALONG THE LINES ORIGINALLY CONCEIVED FOR POLAND. THE UK NOTED THAT IT WAS RIGHT AND PROPER THAT THE POLISH PROCEDURE NOW BE ONLY MARGINAL IN EFFECT BECAUSE THE POLES HAD MOVED CONSIDERABLY FROM THE HOPED-FOR POSSIBILITIES OF THE GOMULKA EXPERIMENT. BUT APPLICATION OF THIS PROCEDURE TO ROMANIA DID PROVIDE THE POSSIBILITY OF MORE LIBERAL TREATMENT.

(10) JAPAN SAID THE COMMITTEE MIGHT AGREE TO A VERY DIFFERENT TREATMENT UNDER A NEW "ROMANIAN EXCEPTIONS PROCEDURE."

(11) BELGIUM SUPPORTED THE ORIGINAL FRENCH PROPOSAL.

(12) ITALY SAID THAT, SINCE THE POLISH EXPERIMENT HAD NOT BEEN SUCCESSFUL, TO CONSIDER THAT MATTER AS RELEVANT MIGHT ONLY COMPLICATE THE PROBLEM. ITALY SUGGESTED THAT ROMANIAN CASES BE CONSIDERED "IN A SPECIAL LIGHT AND JUDGED ON BROADER ISSUES THAN OTHER CASES."

(13) THE U.S. HOPED THAT THE U.K. AND JAPAN WOULD SUBMIT CONCRETE PROPOSALS ALONG THE LINES OF THEIR SUGGESTIONS.

(14) THE UK URGED THE IMMEDIATE ACCEPTANCE OF THE APPLICATION FOR ROMANIA OF THE PROCEDURE DESIGNED FOR POLAND.

(15) FRANCE REJECTED THIS. (DOC PROC (68)17).

(16) JAPAN THEN SUBMITTED A FORMAL PROPOSAL ALONG THIS LINE, BUT NO AGREEMENT WAS REACHED (DOCS PROC (68)18 AND 19).

F. AN INTER-AGENCY REVIEW OF THE EXPORT CONTROL STATUS

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OF ROMANIA HAS JUST BEEN COMPLETED, AS PART OF THE REVIEW OF U.S. POLICY TOWARD INDIVIDUAL COUNTRIES CALLED FOR BY SECTION 4(B)(2)(A) OF THE EXPORT ADMINISTRATION ACT. AGREEMENT WAS REACHED THAT ROMANIA SHOULD BE RETAINED IN COUNTRY GROUP Q BUT THAT LICENSING POLICY SHOULD BE LIBERALIZED BY (A) ESTABLISHING A PRESUMPTION OF APPROVAL OF ALL BUT THE MOST STRATEGICALLY SIGNIFICANT COMMODITY EXPORTS, WHILE CONTINUING TO RESTRICT STRATEGICALLY SIGNIFICANT TECHNICAL DATA; AND (B) SEEKING A CORRESPONDING SPECIAL ROMANIAN POLICY IN COCOM. (BACKGROUND DOCUMENTS ON THIS STUDY ARE BEING POUCHED TO PARIS AND BUCHAREST.)

G. AN INTER-AGENCY REVIEW OF THE EXPORT CONTROL STATUS OF OTHER EASTERN EUROPEAN COUNTRIES IS NOW UNDERWAY. NO CHANGES HAVE YET BEEN SUGGESTED, EXCEPT TO CONSIDER ADDING HUNGARY TO COUNTRY GROUP W (NOW LIMITED TO POLAND). THIS WOULD BE LARGELY FOR SYMBOLIC PURPOSES AND WOULD THEREFORE NOT BE ACCOMPANIED BY A PROPOSAL FOR A CORRESPONDING SPECIAL HUNGARIAN POLICY IN COCOM.

3. BEFORE THE U.S. PROPOSAL PER PARA 1 IS DISCUSSED IN COCOM, THE USDEL MIGHT USEFULLY DISCUSS IT BILATERALLY WITH THE FRENCH DELEGATE, ALONG THE FOLLOWING LINES:

A. THE U.S. RECOGNIZES THAT ITS CURRENT PROPOSAL IS LESS FAR-REACHING THAN THAT PROPOSED BY FRANCE IN 1968 AND CLOSELY PARALLELS THE JAPANESE PROPOSAL OF THAT YEAR, WHICH FRANCE THOUGHT DID NOT GO FAR ENOUGH.

B. IN THE INTEREST OF PERMITTING A MODEST DEGREE OF LIBERALIZATION FOR ROMANIA, WHICH ROMANIA'S CONTINUING RELATIVE INDEPENDENCE FROM SOVIET FOREIGN POLICY APPEARS

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TO JUSTIFY, THE U.S. HOPES THAT FRANCE WOULD NOT FIND IT NECESSARY TO STAND IN THE WAY OF A SOLUTION WHICH, BASED ON THE 1968 DISCUSSIONS, IT APPEARS THAT ALL THE REST OF THE COMMITTEE COULD ACCEPT.

4. DURING THE DISCUSSION IN COCOM, USDEL MIGHT EXPLAIN:

A. THE U.S. BELIEVES THAT PREFERENTIAL TREATMENT FOR ROMANIA SHOULD NOT EXTEND TO TECHNOLOGY CASES BECAUSE OF THE MUCH GREATER DIFFICULTY IN CONTROLLING RE-EXPORTS OF TECHNOLOGY AND OF THE PRODUCTS OF EXPORTED TECHNOLOGY.

B. ASSURANCES AGAINST RE-EXPORT OF COMMODITIES MIGHT BE OF A GENERAL NATURE AND/OR RELATED TO SPECIFIC PROPOSED

TRANSACTIONS.

C. THE DEGREE OF LIBERALIZATION UNDER THIS PROCEDURE
CAN ONLY BE DETERMINED ON A CASE-BY-CASE BASIS. WITHOUT
THE POSSIBILITY OF CITING A SPECIAL ROMANIAN POLICY, IT
MIGHT BE NECESSARY TO DENY EXPORTS TO ROMANIA WHICH COULD
OTHERWISE BE APPROVED. THIS IS BECAUSE THE PROCEDURE
WOULD PROVIDE A MEANS FOR LIMITING THE LIBERALIZATION TO
ROMANIA FOR ITEMS WHICH, UNDER SIMILAR CIRCUMSTANCES, IT
MIGHT NOT BE PRUDENT TO EXPORT TO OTHER PROSCRIBED
DESTINATIONS. CHRISTOPHER

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